State of Montana

MPERA IT Strategic Plan 2014

Table of Contents

1. Executive Summary

The Montana Public Employee Retirement Administration (MPERA) is the executive staff to the Montana Public Employees' Retirement Board (PERB). PERB administers 10 separate retirement plans. PERB is administratively attached to the Department of Administration. PERB approves its annual budget and has hiring/firing authority of its administrative staff. PERB has fiduciary responsibility for the retirement plans and trust funds and is committed to acting in the best interest of the members and beneficiaries.

The primary theme of the MPERA IT Strategic Plan is to continue to provide timely processing of contributions and benefits, to protect individual privacy and the privacy of information contained within our systems, to provide secure internet access to education resources, account information, forms, published documents and other resources to our stakeholders, to implement improved and new technology where feasible and to continually strive to perform more efficiently and effectively, balancing our staff, technology and resources to produce the maximum value for the time, effort and budget we invest.

2. Environment, Success, and Capabilities

MPERA's mission is to efficiently provide quality benefits, education and service to help our plan members and beneficiaries realize a successful retirement. To accomplish this mission MPERA must promote a work environment that values quality, respect, diversity, integrity, openness, communication and accountability and we must work with our stakeholders: the members, employers, lawmakers, taxpayers and employee groups. To provide quality education, communication, service and resources to those stakeholders, we need to efficiently and effectively use information technology resources.

MPERA will ensure the full, on-time, and successful implementation of MPERAtiv, our new pension administration system, as a top priority, respected by all the stakeholders for its efficiency, professionalism, and effectiveness. To succeed we must successfully manage the organizational change process associated with MPERAtiv.

MPERA will build and maintain effective relationships with stakeholders enabling them to better understand the benefits and mechanics of our services and be able to defend the services we provide. Our Members will be educated and participate in major decisions about the system.
To succeed we must educate our employers, members, and other stakeholders about MPERA, improve our reputation with all groups helping them understand our issues and needs. We must talk more in the community, with employers and members, about what is proposed in Legislative Sessions, and during and after the Sessions. We must provide local education opportunities through collaboration with unions, Health Care Benefits, and other entities.

MPERA will continue to protect the pension trust funds and ensure the sustainability of the retirement plans. To succeed we must respond to "Pension Reform", work with the legislative candidates before the elections to provide education, and to provide talking points to advocates and stakeholders giving them the tools to better respond and advocate for us.

3. IT Contributions and Strategies

MPERA's business strategy is to support the state's primary strategies: jobs, education and effective/efficient government; and fulfill our responsibility to provide quality benefits, education and service to help our plan members and beneficiaries realize a successful retirement.

MPERA's IT strategy is to provide and maintain cost effective and user friendly technology systems to support MPERA staff and ensure quality service and information is provided to MPERA stakeholders: the members, employers, lawmakers, taxpayers and employee groups.

Not all IT programs and projects will address all three state business strategies, but all IT programs and projects will support at least one of the three. Most of MPERA programs and projects focus on effective/efficient government.
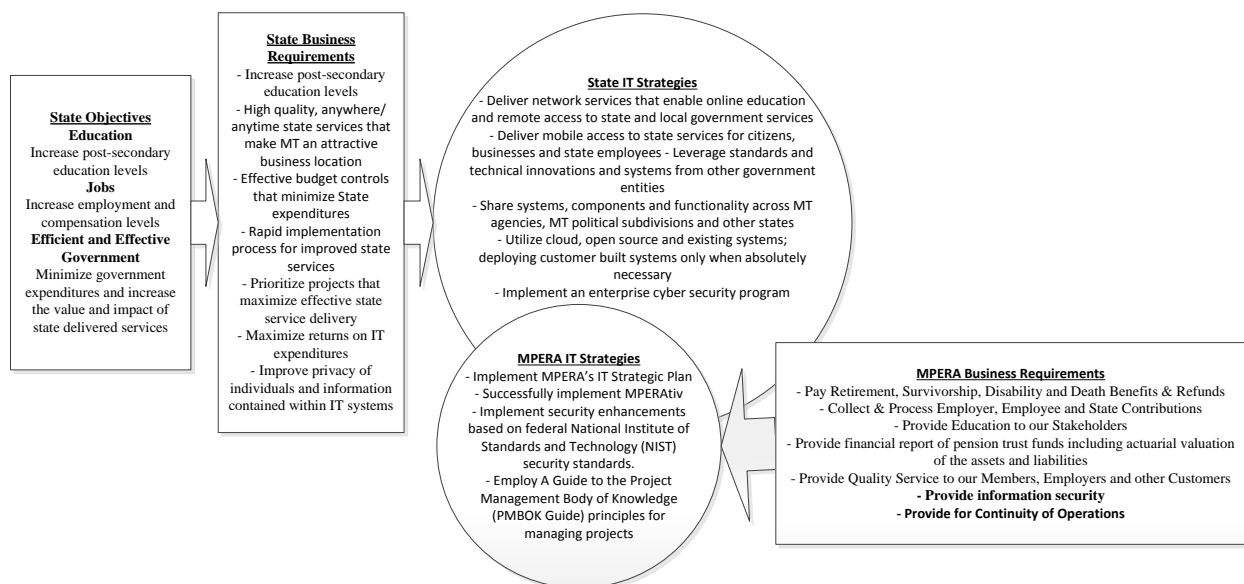
4. IT Principles

IT principles govern MPERA's activities, decisions and the services we provide to our customers. They provide touch-points and guidelines to ensure that the correct decisions are being made; decisions that will provide the greatest value to Montana's citizens and MPERA's customers. Many of MPERA's principles have their roots in MITA and the principles outlined in Montana's State Strategic Plan for IT 2014.

- Resources and funding will be allocated to the IT projects that contribute the greatest net value and benefit to Montana stakeholders.
- Unwarranted duplication will be minimized by sharing data, IT infrastructure, systems, applications and IT services.
- Shared inter-state systems will be used to minimize IT expenditures, improve service delivery and accelerate service implementation.

- Information technology will be used to provide educational opportunities, create quality jobs, a favorable business climate, improve government, protect individual privacy and protect the privacy of IT information.
- IT resources will be used in an organized, deliberative and cost-effective manner.
- IT systems will provide delivery channels that allow citizens to determine when, where, and how they interact with state agencies.
- Mitigation of risks is a priority to protect individual privacy and the privacy of IT systems information.
- Information security will based on federal National Institute of Standards and Technology (NIST) security standards.
- MPERA will employ *A Guide to the Project Management Body of Knowledge* (*PMBOK Guide*) principles for managing projects.

5. IT Governance

Governance for MPERA's service delivery functions rests with the Executive Director and MPERA's Management Team, the senior management of MPERA. The MPERA Management Team provides the governance structure to assess, discuss and share the business and technical impacts of major changes to the MPERA business practices and infrastructure. These changes include proposals that have a cross-bureau impact and significant financial and/or service impact. The MPERA Management Team assessment and recommendations include financial impact, direct and indirect technical impact on all MPERA bureaus, services and customers.

The MPERA Steering Committee was established to assist the Executive Director with project decision making and providing direction for projects within the MPERAtiv program. The Steering Committee ensures that the direction of projects within the MPERAtiv program continues to be in line with the original mission and goals set forth at the beginning of the MPERAtiv program. They ensure the appropriate project team members and key decision makers are identified and available to fulfill their project responsibilities. They are responsible for reviewing the progress of the implementation, understanding the current issues, resolving critical issues, providing vision of future business direction, and supporting the efforts of the entire project team.

6. IT Financial Management

MPERA prepares an annual budget for the Public Employees' Retirement Board (PERB) approval. Funding is provided through law and is capped at a percent of benefits paid for the defined benefit plans. Fees fund the administrative expenses in the defined contribution plans. Generally, the unused portion of allowable funding is reverted to the defined benefit pension plans. The funding for MPERA's line of business replacement program is accomplished in part by holding over the unused allowable funding to pay for project costs in the next year. The PERB approves MPERA's IT initiatives with documentation and justification provided by MPERA staff. Documentation and justification have been provided in part by consulting with SITSD, State accounting, and industry experts. MPERA reports to the Legislative Finance committee on our primary IT initiatives and works with the Project Management Office within SITSD.

7. IT Services and Processes

MPERA IT service strategy is to provide and maintain cost effective and user friendly technology systems to support MPERA staff and ensure quality service and information is provided to MPERA stakeholders: the members, employers, lawmakers, taxpayers and employee groups. MPERA supported systems includes:

PERA Retiree System: Track all history associated to the retirees belonging to all retirement systems supported by MPERA. The system was automated to ensure efficient accounting of all benefits paid out to retirees; plus all contributions rolled over to the retirement system from the active system at the point of retirement.

PERA Active System: Track all history associated to active members of the retirement systems supported by MPERA - earnings, hours, retirement contributions, employer, etc. The system was automated to ensure efficient accounting of the contributions paid by both employer and employee for all retirement systems.

PERA Volunteer Firefighters Retirement System: The Volunteer Firefighter's Compensation Act (VFCA) system is a pension for Montana volunteer firefighters. The VFCA System is an automated database management system designed to facilitate management of VFCA. It provides for electronic storage and retrieval of eligibility requirements for both departments and members. It retains details about memberships, service credits, and members. It generates printed forms designed to gather information from volunteer fire departments. These forms, when completed, ultimately become official source documents for VFCA data. The VFCA System generates actuary files which become the basis for actuary evaluations and it generates a variety of reports which aid in the management of VFCA.

PERA Employer Web Reporting Application (EWR): Track Defined Benefit payrolls of employers with members of the retirement systems administered by MPERA. This application allows employers to report their payrolls through MPERA's website. Since its inception in 2002, this application has been expanded to include; Defined Contribution payroll reporting, Optional Retirement Program (ORP) payroll reporting (administered by TIAA-CREF), member address reporting and non-contributing employees (NCE) reporting which includes reporting employees such as excluded employees, optional members and working retirees; and entry and monitoring of status for optional membership election forms.

PERA 457 WEB Employer Reporting Application: Track 457 payrolls of employers participating in the State of Montana's IRC §457(b) Deferred Compensation Plan. This application provides a third party record keeper the ability to enter new 457 participant enrollments as well as enter and validate Salary Deferral Agreements.

Local Area Network: Maintain SITSD standards for current PC technology to access systems and communicate internally and externally.

Laserfiche: Electronic Content Management (ECM) System and Imaging Services.

8. IT Infrastructure, Staffing and Resources

Infrastructure

MPERA maintains several IT environments. Our legacy mainframe systems are hosted by SITSD on the mainframe in an IDMS database. The database administration (DBA) tasks are supported by SITSD while the maintenance of the application is performed by MPERA.

MPERA's Employer Web Reporting (EWR) application and 457 web reporting application are Oracle database, Oracle Forms/Reports applications also hosted by SITSD. The DBA duties are also supported by SITSD while application support is done by MPERA.

MPERA maintains an Electronic Content Management System (ECM). That system uses the Laserfiche ECM product and the Windows and SQL Server infrastructure used to employ that system is hosted and maintained by MPERA.

The Microsoft Windows Server platform used to support MPERA's business environment is hosted and maintained by MPERA and utilizes the VMWare ESXi virtual environment.

The MPERAtiv development environment (Windows Servers, MS-SQL databases) is hosted by SITSD and maintained by MPERA.

Vendor Partners and Resources

MPERA has contracted with the following vendors who jointly with MPERA will ensure MPERAtiv is completed successfully.

Provaliant, LLC is a project management firm with extensive experience providing project management consulting services in the area of public sector pension benefit administration. They provide MPERA with project monitoring, quality assurance, Independent Verification and Validation (IV&V), and oversight project management for the Data Cleansing, Imaging and Line of Business (PERIS) projects throughout all phases of each project development lifecycle.

Sagitec Solutions, LLC is a systems integration organization who has been implementing retirement administration systems since 2004. Jointly with MPERA they are designing and developing PERIS, our Line of Business administration system.
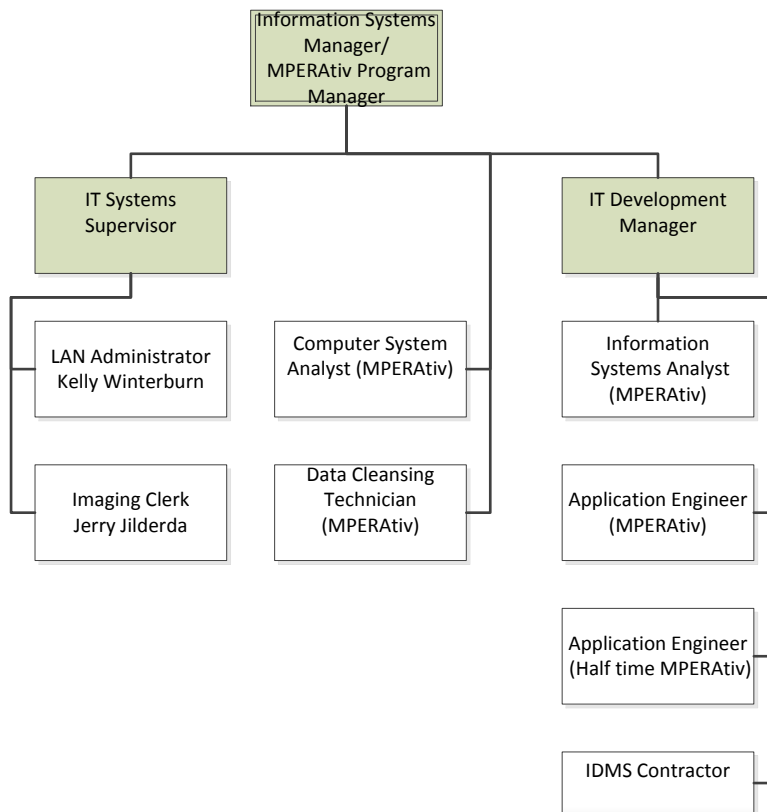
Ventera Corporation provides expert assistance to MPERA with data profiling, cleansing and migration. The advice, guidance and work is provided through the services of experts with extensive experience providing related data services as part of a Line of Business (LOB) system replacement project in the area of public sector pension benefit administration.
EcoFile provides support for our Laserfiche electronic content management application.

MPERA is utilizes Microsoft, Oracle, Dell, IBM, VMware and Laserfiche. MPERA uses Microsoft's Office products on the desktop; SQL databases, Exchange email, and SharePoint are a few examples of the many Microsoft products used. MPERA uses Oracle products to support both database and applications, VMware to support the virtualized server environment, and Dell for desktop hardware.

Staffing

MPERA IT has 9 FTE, 2 temporary staff and 1 contractor. 3 FTE staff are involved with administering and maintaining our network technology and   4 FTE staff and 1 contractor maintain our current software applications. MPERA has assigned 2 temporary staff and 3 FTE to the MPERAtiv projects. MPERA is managing and adjusting its IT staffing to accommodate the needs of the MPERAtiv project.

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                    │  MPERAtiv Program    │
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    │   IT Systems     │          │  IT Development  │
    │   Supervisor     │          │     Manager      │
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IT Systems Supervisor		IT Development Manager
LAN Administrator Kelly Winterburn	Computer System Analyst (MPERAtiv)	Information Systems Analyst (MPERAtiv)
Imaging Clerk Jerry Jilderda	Data Cleansing Technician (MPERAtiv)	Application Engineer (MPERAtiv)
		Application Engineer (Half time MPERAtiv)
		IDMS Contractor

9. Risks and Issues

The following table contains the major risks to MPERA's IT strategy. Major risks meet one of two criteria.
- Risks with a probability of medium or high with an impact of high.
- Risks with a probability of high with an impact of medium or high.

Mitigation strategies are the pro-active actions that MPERA is using to lessen the probability of the risk occurring and minimizing the impact of the risk.

Primary Risk	Probability	Impact	Mitigation Strategy
Staff Turnover	High	Medium	MPERA has developed backup plans for critical project executive staff. MPERA will develop a succession planning program for critical positions. Positions/skills rated as critical will have individual plans for skills transfer, replacement, documented procedures, etc. for mitigating the impact.
Security breach	Medium	High	MPERA is creating a security program including, but not limited to, staff training and awareness, data encryption, and security policies.
Legislative Changes	Medium	High	MPERA will monitor Legislature effort, encourage feasible implementation dates, and provide timely information of the impact of legislation on the MPERA projects.
Change Management: The new PERIS system will require significant change to existing MPERA business processes, as well as the organization itself.	Medium	High	MPERA has contracted with a consultant to provide MPERA guidance and assistance with the Change Management process.
Staff burn out: MPERA's relative small staff size when compared to amount of change and work projected in MPERAtiv. This could be exacerbated by staff turnover in key areas.	Medium	High	MPERA will carefully plan out project timelines and work load to ensure that project overlap doesn't result in resource overload. MPERA has hired additional resources for high work load areas and will utilize more contractor time, authorize overtime, when necessary.
Quality of Work: The limited number of IT staff may not be able to support the amount of work required to implement MPERAtiv and maintain current legacy software systems concurrently. This could result in an increase in errors and a loss of quality and timely response to requests.	High	Medium	MPERA executive management will limit new enhancements and prioritize critical maintenance and enhancement requests. Development standards, testing and acceptance of any changes will be strictly enforced.

10.   IT Goals and Objectives

IT Goal 1: Successfully implement MPERA's overall customer service, business operations and technology improvement program (MPERAtiv).

Objective 1: Continue emphasis on support and maintenance of existing IT infrastructure.

- Services are available and required processes function accurately.
- Maintenance upgrades to current technology are performed timely.
- Production troubleshooting, assistance and recovery for software and hardware issues are performed accurately and timely.
- Confidential information is secured.
- Enhancements and change requests are controlled and limited to business critical requests.

Benefits: Efficient use of IT resources, accuracy of information provided to stakeholders, efficiently managed information technology systems and realizes maximum value from these systems for the time, effort and budget invested.

Objective 2: Successfully implement PERIS, our new Line of Business (LOB) pension administration system.

MPERA contracted with Sagitec Solutions, LLC in FY2012 to implement a new Line of Business (LOB) pension administration system. The LOB solution will be developed in multiple phases and implemented in 2 phases.

- Development of the Enrollment and employer reporting phase was completed in FY 2013
- Development of Calculations, Service Purchases and Claims and Death processing will be completed in FY2014,
- Development of the Benefit Payment processing will be completed in FY2015.
- All of the functionality developed in these phases will be implemented at one time in mid FY2015.
- The Member and employer self service portals will be deployed to production in FY2016.
- The project will be reviewed at milestones and completion to highlight lessons learned and archive project knowledge gained.

Benefits: Combine the functionality of the current mainframe and employer reporting applications into a single integrated LOB pension administration system, combine our separate active and retired databases into one joint database, enable MPERA to proactively prepare for the anticipated increase in retirements, provide retirement system members with online access to account information to improve customer service and knowledge, and to increase staff efficiency, improve operating efficiency and accuracy by replacing manual processes, replace the batch-oriented software systems with interactive real-time processing, automate business rules to improve accuracy and consistency, and reduce redundancy, implement internal audit controls to increase security and reduce risk, increase our ability to recruit and retain qualified staff.

Objective 3: Maintain accuracy and integrity of data.

MPERA contracted with Ventera in FY2012 to provide data profiling and data cleansing services in preparation for conversion of our existing data to our PERIS.

- Data issues were identified and prioritized in FY2012.
- Data will be cleansed through FY2015.
- Cleansed data will be successfully converted to PERIS during FY2016.

Benefits: Accuracy of information provided to stakeholders and efficiently managed information technology systems.

IT Goal 2: Maintain SITSD recommended standards and policies.
Objective: Maintain SITSD recommended hardware and software standards for MPERA staff and customers and ensure MPERA is in compliance with state policies.

- Review relevant state polices needed hardware and software changes are identified.
- Attend and participate in state councils, boards and committees such as ITMC, NMG and **ITB**.
- Track hardware and software assets and licenses including whether they are state standard or require ITPR approval by SITSD.
- Information Technology Procurement Requests (ITPR) are reviewed and approved by SITSD.

Benefits: To stay abreast of technological advancements, to obtain the support and knowledge of SITSD staff for maintenance and troubleshooting problems, to enable communication with other state agencies.

11. IT Projects

Description: *This section outlines your agency's major IT projects. At a minimum, include all IT projects that meet any of the following criteria:*

a. *An EPP item for IT spend.*

b. *A budget of $500,000 or more, whether or not it is an EPP item. The $500,000 budget is the sum of all grants, current operating budget expenses, new budget allocations, special fees, and other sources of funds and includes costs associated with internal builds.*

c. *An IT initiative with a budget of $100,000 or more and also comprises 25% or more of the agency's IT budget, whether or not it is an EPP item.*

d. *An IT project or initiative that impacts other agencies or has the potential for an enterprise-wide impact.*

Item	Description
Project name	MPERAtiv – PERIS - Line of Business (LOB) pension administration system
Project/program purpose and objectives	• Improve business processing to meet customer expectations • Provide improved services, effectiveness and efficiency • Provide its plan members and retirees with the ability to access account information through the Internet • Continue to address the demands of customers and changes in business processes to effectively support and administer our retirement plans
Estimated start date	July 9, 2012
Estimated cost	$7,850,000
Funding source - 1	Pension Administration
Funding source - 2	
Funding source - 3	
Annual Costs upon completion	

Item	Description
Project name	MPERAtiv – Data Cleansing
Project/program purpose and objectives	Provide MPERA with expert assistance to perform data profiling, cleansing and migration services. The advice, guidance and work will be provided through the services of experts with extensive experience providing related data services as part of a Line of Business (LOB) system replacement project in the area of public sector pension benefit administration.

Estimated start date	August 5, 2011
Estimated cost	$487,098
Funding source - 1	Pension Administration
Funding source - 2	
Funding source - 3	
Annual Costs upon completion	$0

12.   Security and Business Continuity Programs

Identified framework/standard

The Montana Public Employee Retirement Administration (MPERA) is working to improve our security procedures and our techniques and procedures for identifying, monitoring and controlling risks to information security to become compliant with §2-15-114, MCA and the States Information Technology Systems Division *Information Security Programs* policy with adoption of the National Institute of Standards and Technology (NIST) Special Publication 800 series as guides for establishing appropriate security procedures.   This is in alignment with the State of Information Technology Service's direction for an enterprise approach to protect sensitive and critical information being housed and shared on State and/or external/commercial information assets or systems.

The identified framework/standards above provide MPERA continued guidance on these key elements of a Security program.

1. *Governance-* MPERA will continue to protect the confidentiality of the MPERA client information and to ensure that access to such information is restricted to legitimate purpose.
2. *Policies-* MPERA continues to protect information and assets. (i.e. security accountability, network service policies, system policies , physical security, incident handling and response, acceptable use policies,)
3. *Risk management*-
   The Risk Management Plan (Frame) establishes the context for identifying, assessing, planning risk response (risk-based decision) and monitoring and controlling risks. The following four components of the Risk Management Plan will interact with each other in a continuous improvement cycle.
   - Risk Identification – MPERA will identify risk within the context of the risk management plan
   - Risk Assessment – MPERA will prioritize each risk by assessing the impact and the likelihood of occurrence to determine which risks require further analysis, which

risks require that a risk response be developed and which risks are noncritical and should be documented for future review.

- Risk Response – MPERA will determine the best response to high priority risks e.g., avoid, mitigate, accept risk, share or transfer
- Risk Monitoring – MPERA will identify new risks, implement risk response plans, evaluate MPERA and state applicable policies and procedures to ensure they are being followed monitor risks over time to ensure effectiveness and recommend corrective actions or changes as needed.

4. *Training and awareness*- MPERA will continue to raise awareness through security training throughout all levels of the MPERA'S organization.
5. *Security controls*-MPERA's use of the above framework/standards shall provide the controls to meet current organizational protection needs and the demands of future protection needs based on changing requirements and technologies.
6. *Ongoing monitoring*- MPERA will continue to maintain ongoing awareness of information security, vulnerabilities, and threats to support organizational risk management decisions.

Future Security Program Plans

MPERA will continuously review and improve our security policies and procedures and our techniques and procedures for identifying, monitoring and controlling risks to information security. We will ensure they are compliant with §2-15-114, MCA and State Information Technology Systems Division *Information Security Programs* policy and align with MPERA strategic goals.

Continuity of Operations (COOP) Capability Program Description: *Describe your agency's progress in developing and maintaining a COOP program in compliance with MOM Continuity and Emergency Management policy, standards and procedure. Identify completed activities, current activities and planned activities. Typical activities would be Business Continuity Plans (BCP), Emergency Action Plans (EAP), Information System Contingency Plans (ISCP), Communications Plans, and Incident Management Plans.*

In January 2008, MPERA joined with the Department of Administration *Continuity Services* for the development of MPERA's Continuity of Operations Capabilities, which provides the plans and structure to facilitate response and recovery capabilities to ensure the continued performance of the State Essential Functions of Government. This program involves two Blocks of focus; the first is to complete the Business Continuity Plans (BCP) involving two phases, the second Block works on the specific business processes or activity plans such as Emergency Action Plans (EAP), Information System Contingency Plan (ISCP), Communications Plans, Incident Management Plans, and more. We have completed the BCP phases with the exception of Essential Records.

MPERA has an Emergency Action Plan (EAP)) for our beat team in our building.

This program is not a standalone process in that information which is identified and recorded under this structure can and often exists in the Records Management Program and associates with Information Security Management Program requirements. Integration of these three programs is critical to the confidentiality, integrity, and availability of information, which is associated with each program.

Future COOP Program Plans

Our plans for this strategic period include the following.

We will actively participate with the state Service Delivery Team for disaster recovery.

We will document, maintain, publish and test our disaster recovery plan annually allowing us to respond to events timely and with a minimum disruption to critical services.

We will work with the state Continuity Bureau as functionality becomes available in the Living Disaster Recovery Planning System (LDRPS) software to ensure all relevant plans are resident in LDRPS.

Complete the essential records functions once those functions are made available by the Department of Administration in LDRPS.

13. Planned IT Expenditures

The Public Employees' Retirement Board approves the MPERA budget including theIT budget on an annual basis.

14. Administrative Information

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